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Legislature approves citizens' initiative, repealing 'job-killing' Single Business Tax

*The 'vote for economic recovery' accelerates the elimination
of the SBT by two years*

LANSING—In an historic vote, both houses of the Michigan Legislature today repealed the state's Single Business Tax, a burdensome tax that has been widely despised for much of the last 30 years both by Michigan business owners and legislators but until now has been immune to repeal due to the governor's veto pen. The repeal takes effect Dec. 31, 2007.

Sen. Nancy Cassis, R-Novi, is chair of the Senate Finance Committee and co-chair of the Joint Select Committee on Economic Growth, which has been charged with finding a replacement for the SBT. Cassis made the following comments during today's Senate debate on the repeal of the SBT:

"A Wednesday in early August ... what is it that brings the Michigan Senate into session? Colleagues, we've gathered in one of those rare moments in time where legislative history is going to be affected. Not since Proposal A have we been called to respond to such a compelling challenge!

"Have you seen the television program, 'What Not to Wear'? It shows a person stuck with going about daily life wearing an outdated wardrobe, down emotionally and physically. Someone who cares about that person recommends her to two fashion-savvy people, who proceed to dump all her outdated clothes in the garbage can. Today we throw away outdated and disfiguring tax garments that straightjacket our economy.

"The people of this state, through petition, through referendum, called upon us to retire this unattractive tax. They've told us our state deserves better—our families, our young people deserve better! Michigan is their home; Michigan is our home. Let us not shun those individuals and push them into the arms of more economically progressive states.

"In the 'What Not to Wear' program, the makeover not only provides a complimentary wardrobe, but an entirely new outlook, a new mindset of confidence to face the future with optimism and purpose. Some in the administration and colleagues on the other side of the aisle will throw the alarm and try to scare us, that if we get rid of this burdensome, uncompetitive tax, we will lose our bond ratings. Colleagues, let us pledge together in one non-partisan spirit so when we finish this long-overdue task, Wall Street will be salivating and saluting us with salvos, welcoming a refined, well-heeled, thoroughly modern Millie—I mean, thoroughly modern tax code.

“The time is now. Be brave! Be bold! While Republicans are upbeat and determined, Governor Granholm opined that a vote to repeal the SBT would be “an act of extreme cowardice.” *Where* has she been? Our esteemed cosmetic-, fashion-conscious governor is back in the 1970s, along with her treasurer, an SBT architect and admirer.

“Thirty years ago, the new economic gray flannel suit was the SBT. Today the suit no longer fits. Some say, ‘just readjust its size, lengthen its sleeves, *shift* its lapels’ I say, we are embarked on an *extreme makeover*, not tweaks. Our sluggish economy cries out for a new fit, reflecting the changes that have occurred over the last 30 years. As chair of Senate Finance, I’m not talking about stylistic tax gimmicks, shifts, or shafts. Countless small and large employers—our very job providers—welcomed County Executive Brooks Patterson’s initiative. Let us move on and finish the task he started—now—and devise a lasting garment reflecting changing economic times.

“Its designers, we the legislators, will draw a pattern, a new “best practice” Michigan: pro-job, pro-growth, pro-business tax. Make no mistake. We *are* engaged, six of us, House and Senate, bipartisan—both sides of the aisle—a select committee determined to craft a business tax code placing Michigan at the head of its class: strong, competitive, with low compliance, fair, broadly based with a low rate. But we need all members to attend and to be on board! I happen to trust the elected representatives of the people to get the job done. Don’t you?”

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**Sen. Cassis’ comments can be heard at the Senate Majority Multi-Media Link page:
www.senate.michigan.gov/gop/audiowire/index.htm.**